

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF DECLARING
CERTAIN PROPERTY SURPLUS AND
AUTHORIZING THE EXECUTION OF A
SUBLEASE

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RESOLUTION NO. 90-1303

WHEREAS, Metro has leased the building at 2000 S.W. First Avenue, Portland, Oregon, for ten (10) years; and

WHEREAS, Pursuant to ORS 271.310(3) it has been determined that 6,000 square feet is not immediately needed for public use; and

WHEREAS, Pursuant to ORS 271.360 a sublease has been proposed with Gregson Parker, CPA, a sole proprietorship for 540-sq. ft. attached hereto as Exhibit "A" and incorporated herein; now, therefore,

BE IT RESOLVED:

1. That surplus property is declared to exist at 2000 S. W. First Avenue; and

2. That the Executive Officer is authorized to execute the attached contract with Gregson Parker, CPA for sublease of surplus property.

ADOPTED by the Council of the Metropolitan Service District
this 26th day of July 1990.



Tanya Collier, Presiding Officer

OFFICE SUBLEASE

This Sublease made as of this 1st day of August 1990 between the Metropolitan Service District, a municipal corporation of the State of Oregon, hereinafter referred to as "LESSEE," and GREGSON PARKER, C.P.A., a sole proprietorship, hereinafter referred to as "SUBLESSEE."

RECITALS

1. LESSEE has leased the premises described herein from Lessor Amco-Portland, Inc., a corporation, under a separate Lease Agreement between Lessor and LESSEE, herein referred to as the "Master Lease" and attached hereto as Exhibit "A."

2. SUBLESSEE desires to sublease a portion of those premises from LESSEE located at 2000 S. W. First Avenue, Portland, Oregon.

3. The parties desire to have a Sublease agreement defining the terms of the Sublease.

In consideration of the mutual covenants contained herein, the parties agree as follows:

1. Description of Premises. SUBLESSEE subleases from LESSEE a portion of the premises demised to LESSEE by Lessor under the Master Lease, which portion of the premises subleased hereunder is described in Exhibit "B" which is attached hereto and incorporated herein. In addition, SUBLESSEE shall have the right to sublease up to two (2) parking spaces in the parking

area of the Master premises, which spaces shall be designated by LESSEE under the conditions described in paragraph 4d. below.

2. Warranty by Lessee. LESSEE warrants and represents to SUBLESSEE that the Master Lease has not been amended or modified except as expressly set forth herein. In addition, LESSEE is not now, and as of the commencement of the term of this Sublease will not be, in default or breach of any of the provisions of the Master Lease, and LESSEE has no knowledge of any claim by Lessor that LESSEE is in default or breach of any of the provisions of the Master Lease.

3. Term. The term of this Sublease shall commence August 1, 1990, and end on January 1, 1992, or one year, five months (1 year, 5 months) after the commencement date, unless otherwise sooner terminated in accordance with the provisions of this Sublease or incorporated provisions of the Master Lease or unless extended as described in paragraph 10.

4. Rent. SUBLESSEE shall pay to LESSEE as rent, without deduction, setoff, notice, or demand, at 2000 S. W. First Avenue or at such other place as LESSEE shall designate from time to time by notice to SUBLESSEE, the following sums:

- a. During the first through the one year, five month of the term, the sum of Four Hundred Ninety-Six and 66/100th Dollars (\$496.66) per month in advance on the first day of each month of the term.
- b. The above sum is based on 540 square feet of subleased space. The sum also includes rent for use of common space which includes use of lobbies, elevators, restrooms, and other common areas and facilities. The above sum

does not include rent for parking area use which is described in subparagraph d.

- c. SUBLESSEE shall pay to LESSEE upon execution of this Sublease the sum of Four Hundred Ninety-Six and 66/100th Dollars (\$496.66) as rent for the last month of the term. If SUBLESSEE fails to pay rent or other charges in paragraphs 5 or 6 when due under this Sublease, the LESSEE shall allow the SUBLESSEE a ten (10) day grace period before considering the SUBLESSEE in default and LESSEE may use or apply all or any portion of the last month rent for the payment of any rent or such charges then due and unpaid. If LESSEE to uses any portion of the last month rent, SUBLESSEE shall, within ten (10) days after written demand by LESSEE, restore the last month rent to the full amount originally deposited, and SUBLESSEE'S failure to do so shall constitute a default under this Sublease. LESSEE shall not be required to keep the last month rent separate from its general accounts, and shall have no obligation or liability for payment of interest on the last month rent. In the event LESSEE assigns its interest in this Sublease, LESSEE shall deliver to its assignee so much of the last month rent as is then held by LESSEE.
- d. SUBLESSEE shall have the right to sublease up to two (2) parking spaces. The rate for each space shall be Seventy Dollars (\$70) per month. SUBLESSEE by the execution of this Sublease gives notice that it exercises its right to two (2) spaces. Rent for each pace subleased shall be due and payable on the first day of the month. SUBLESSEE may terminate its sublease of a parking space or spaces by giving LESSEE written notice thirty (30) days in advance of SUBLESSEE'S intention to terminate. Neither a failure by SUBLESSEE to sublease all two (2) spaces at any time nor a termination by SUBLESSEE of its sublease of a space or spaces shall prevent SUBLESSEE thereafter from subleasing up to two (2) spaces as provided herein. SUBLESSEE may exercise its right to sublease any previously terminated parking space by giving LESSEE written notice thirty (30) days in

advance of SUBLESSEE'S intention to sublease a space or spaces.

5. Use of Premises. The premises shall be used and occupied only for office purposes as allowed under the Master Lease and for no other use or purpose. No heating or air condition services will be available from 7:00 p.m. to 7:00 a.m. or on weekends, except on weekends requested by SUBLESSEE during February, March and April. Elevator service will be available at all times.

6. Assignment and Subletting. SUBLESSEE shall not assign this Sublease or further sublet all or any part of the premises without the prior written consent of both LESSEE and the Lessor under the Master Lease. LESSEE agrees not to unduly withhold consent to allow SUBLESSEE to sublet or assign a portion of the premises.

7. Applicable Provisions of Master Lease. All applicable terms and conditions of the Master Lease are incorporated into and made a part of this Sublease as if LESSEE was the Lessor thereunder, SUBLESSEE the LESSEE thereunder, and the premises the Master premises, except that the following sections of the Master Lease are expressly not applicable:

Section 2 (Renewal Term), Section 4 (Utilities and Government Impositions), Section 8.6 and 8.7, Section 10 (Insurance and Indemnification), Sections 11.1 and 11.4, Section 22.3, Section 36 (Net Lease), Section 37 (Appraisal), Section 21 (Right of First Offer), Section 38 (Fix Up Period and Fix Up Work), Exhibit "B," Schedule 1, and Section 39 (Early Termination).

SUBLESSEE assumes and agrees to perform the LESSEE'S obligations under the Master Lease during the term to the extent that such obligations are applicable to the premises, except that the obligation to pay rent to Lessor under the Master Lease shall be considered performed by SUBLESSEE to the extent and in the amount rent is paid to LESSEE in accordance with Section 4 of this Sublease. SUBLESSEE shall not commit or suffer any act or omission that will violate any of the provisions of the Master Lease. LESSEE shall exercise due diligence in attempting to cause Lessor to perform its obligations under the Master Lease for the benefit of SUBLESSEE. LESSEE shall perform the obligations assigned to LESSEE by Sections 4, 6, 8.1-8.5, and 11.1 of the Master Lease. If the Master Lease terminates, this Sublease shall terminate and the parties shall be relieved of any further liability or obligation under this Sublease, provided however, that if the Master Lease terminates as a result of a default or breach by LESSEE or SUBLESSEE under the Sublease and/or the Master Lease, then the defaulting party shall be liable to the non-defaulting party for all damage suffered as a result of such termination. However, it is understood that LESSEE has the independent and contractual obligation to pay the Master Lease LESSOR even if SUBLESSEE is unable to pay rent. Notwithstanding the foregoing, if LESSEE exercises any right to terminate the Master Lease in the event of the partial or total damage, destruction or condemnation of the Master premises or the building of which the Master premises are a part, the exercise of

such right by LESSEE shall not constitute a default or breach hereunder.

10. Renewal. SUBLESSEE may extend this Sublease only upon mutual agreement of the parties for a term consistent with LESSEE'S term under the Master Lease. SUBLESSEE shall give notice of his intent to extend this Sublease ninety (90) days prior to the termination of this Sublease.

11. Insurance. SUBLESSEE must provide to LESSEE proof of coverage for bodily injury and property damage liability for a combined single limit of Five Hundred Thousand Dollars (\$500,000). SUBLESSEE shall have LESSEE named as an additional insured on any liability insurance coverage SUBLESSEE carries for activities conducted on the premises.

12. Indemnification. Throughout the term of this Sublease, SUBLESSEE and LESSEE will indemnify and hold harmless each other from loss, liability and damage for personal injury and property damage, or either, resulting from SUBLESSEE'S or LESSEE'S acts or failure to act or SUBLESSEE'S or LESSEE'S use of the premises.

13. Consent by Lessor. This Sublease shall be of no force or effect unless consented to by Lessor by Lessor's acknowledgement hereunder.

14. Grace Period. Except for the ten day (10) grace period for payment of rent and charges in paragraph 4, if SUBLESSEE fails to perform any other obligations hereunder LESSEE shall provide written notice specifying the nature of the alleged

default to SUBLESSEE and allow SUBLESSEE thirty (30) days thereafter to cure or if the nature of the default is such that it cannot be completely cured within thirty (30) days, SUBLESSEE must commence curative action with the thirty (30) day period and proceed diligently to complete the cure as soon as possible before LESSEE may declare a default. After giving thirty (30) day notice to SUBLESSEE, which may run concurrently with the notice of default, LESSEE may use or apply any portion of the last month's rent to cure such default following the procedures described in paragraph 4.

15. Condemnation. SUBLESSEE and LESSEE agree that if a reduction in rent results from condemnation as described in Section 14 of the Master Lease which affects SUBLESSEE'S premises, then LESSEE shall reduce SUBLESSEE'S rent proportionate to the reduction in square footage of SUBLESSEE'S space.

SUBLESSEE

Date: _____

By: _____
Gregson Parker

LESSEE

Date: _____

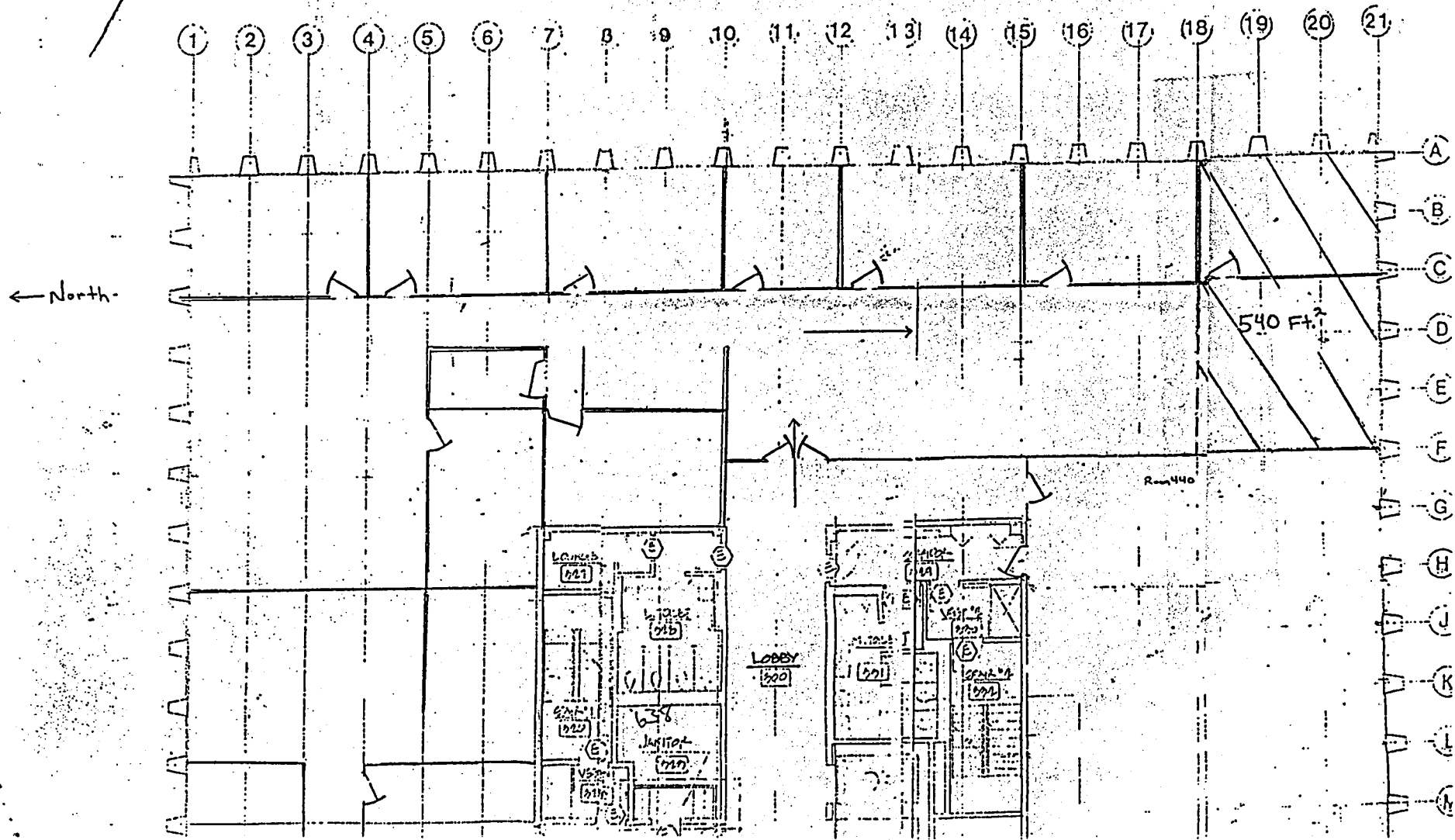
By: _____

Title: _____

JS/LS/gl

1030

Fourth Floor



STAFF REPORT

CONSIDERATION OF A SUBLEASE WITH GREGSON PARKER,
CPA FOR SPACE AT 2000 S.W. FIRST AVENUE, PORTLAND,
OREGON

Date: July 16, 1990

Presented by: Jennifer Sims

FACTUAL BACKGROUND AND ANALYSIS

The purpose of this Staff Report is to present to the Council a proposed sublease for approval. The proposed sublessee is Gregson Parker, CPA, a sole proprietorship.

Highlights of the sublease are as follows:

1. \$10.00 sq. ft. lease cost
2. No leasehold improvements
3. 596 sq. ft. (including load factor) on the southeast corner of the fourth floor
4. Occupancy August 1, 1990 to January 1, 1992
5. Up to two allocated parking spaces at a rate of \$70 per month

Babicky, Bunce & Parker, P.C. previously held a sublease for 4,068 sq. ft. on the east side of the fourth floor, including the proposed Parker space. The Babicky sublease has been terminated making that space available for other uses since Metro does not need all of the space. The proposed sublease is short-term to coincide with a potential relocation of Metro's offices.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of the sublease agreement with Gregson Parker, CPA.

10. A. APPROVED BY STATE/FEDERAL AGENCIES? YES NO NOT APPLICABLE

B. IS THIS A DOT/UMTA/FHWA ASSISTED CONTRACT YES NO

11. IS CONTRACT OR SUBCONTRACT WITH A MINORITY BUSINESS? YES NO
IF YES, WHICH JURISDICTION HAS AWARDED CERTIFICATION _____

12. WILL INSURANCE CERTIFICATE BE REQUIRED? YES NO

13. WERE BID AND PERFORMANCE BONDS SUBMITTED? YES NOT APPLICABLE

TYPE OF BOND _____ AMOUNT \$ _____

TYPE OF BOND _____ AMOUNT \$ _____

14. LIST OF KNOWN SUBCONTRACTORS (IF APPLICABLE)

NAME _____ SERVICE _____ MBE

NAME _____ SERVICE _____ MBE

NAME _____ SERVICE _____ MBE

NAME _____ SERVICE _____ MBE

15. IF THE CONTRACT IS OVER \$10,000

A. IS THE CONTRACTOR DOMICILED IN OR REGISTERED TO DO BUSINESS IN THE STATE OF OREGON?

YES NO

B. IF NO, HAS AN APPLICATION FOR FINAL PAYMENT RELEASE BEEN FORWARDED TO THE CONTRACTOR?

YES DATE _____ INITIAL _____

16. COMMENTS:

GRANT/CONTRACT APPROVAL

INTERNAL REVIEW

CONTRACT REVIEW BOARD
(IF REQUIRED) DATE _____

COUNCIL REVIEW
(IF REQUIRED)

DEPARTMENT HEAD

1. _____
COUNCILOR

DATE

FISCAL REVIEW

2. _____
COUNCILOR

BUDGET REVIEW

3. _____
COUNCILOR

LEGAL COUNSEL REVIEW AS NEEDED:

A. DEVIATION TO CONTRACT FORM _____

B. CONTRACTS OVER \$10,000 _____

C. CONTRACTS BETWEEN GOVERNMENT AGENCIES _____

FINANCE COMMITTEE REPORT

RESOLUTION NO. 90-1303 DECLARING CERTAIN PROPERTY
SURPLUS AND AUTHORIZING EXECUTION OF A SUBLEASE

Date: July 25, 1990

Presented by: Councilor Wyers

COMMITTEE RECOMMENDATION:

At the July 19, 1990 meeting the Committee voted unanimously to recommend Council approval of Resolution No. 90-1303. Committee members voting yes were Councilors Devlin, Gardner and Wyers. Councilors Collier and Van Bergen were excused.

COMMITTEE DISCUSSION/ISSUES:

Jennifer Sims, Financial Services Manager, presented the staff report. Ms. Sims indicated that this sublease with Mr. Parker is a result of the termination of the sublease with the former firm of Babicky, Bunce and Parker, P.C. for space on the fourth floor of the Metro Building. The Babicky, Bunce and Parker firm has dissolved. The major provisions of the sublease are: 1) a lease rate of \$10.00 per square foot for a total of 596 square feet on the southeast corner of the fourth floor; 2) no lease hold improvements; 3) a term of August 1, 1990 to January 1, 1992; and 4) two allocated parking spaces at \$70 per month each.

Ms. Sims pointed out that the termination of the Babicky firm's sublease is rather timely since Metro's space needs have grown during the past several months and the freed up space on the east side of the fourth floor will be put to good use housing the Planning and Development Department. Moving Planning and Development will free up space for the Solid Waste Department as well as recapturing much needed conference room space.

In response to Committee questions, Ms. Sims pointed out that 1) sufficient space should be available for Metro use during the next year and a half because the fourth floor space will not be fully utilized by Planning and Development and that the sublease for three other tenants will expire during the next year; 2) the new rate for Mr. Parker is less than the former rate charged to the Babicky firm because it does not include tenant improvements, and 3) the total settlement package with the Babicky firm is approximately \$11,000 which includes the last month's rent at \$4,288, approximately \$1,000 from one partner who wishes to stay an added month and a \$5,800 cash payment for outstanding tenant improvements.